

The Honorable Sander Levin
Chairman, House Ways and Means
1102 Longworth Building
Washington, DC 20515

The Honorable David Camp
Ranking Member, House Ways and Means
1139-E Longworth Building
Washington, DC 20515

May 7, 2010

Dear Chairman Levin and Ranking Member Camp:

We the undersigned represent a broad-based coalition of hundreds of energy efficiency and environmental organizations, public interest organizations and corporations.

We urge you to include the New Energy Efficient Home Credit (IRC Section 45L), which was extended for one year in the Senate version of H.R. 4213, in this year's final tax extenders legislation along with the other energy efficiency and transportation related provisions. Section 45L allows builders a \$2000 tax credit for the sale or lease of a qualified energy efficient home.

We believe this tax credit, which expired at the end of 2009, is essential to promoting efficiency in new homes, which creates jobs and reduces consumers' energy bills. The credit has already demonstrated tremendous success in reducing the energy consumption of new homes, which is a critical step towards attaining deep reductions in global warming pollution and achieving energy independence. In addition, according to estimates by economists at the National Association of Home Builders, the construction of an average single family creates three jobs and more than \$230,000 in local wages and economic benefit.

Achieving greater energy efficiency in new buildings is technically feasible and cost effective. According to data published by U.S. Environmental Protection Agency, Americans living in energy efficient homes saved \$19 billion on their utility bills in 2008. Tax incentives that mitigate the upfront costs of efficiency are essential to provide consumers across the country with these significant savings.

Homes are long-term assets that are used for anywhere from several decades to more than 100 years. According to data from the DOE's Energy Information Administration (EIA), energy used in homes is responsible for approximately 18 percent of our country's greenhouse gas emissions. The most cost-effective time to make a home more energy efficient is when it is first built. Ensuring that new homes are highly efficient is critical to meeting pollution reduction targets.

The New Energy Efficient Home Credit has already been a tremendous success. In order to qualify for the credit, new homes have to use 50 percent less energy for heating and cooling than a typical home constructed under the 2003 International Energy Conservation Code (IECC) – including supplements – and manufactured homes have to meet the ENERGY STAR label criteria or use 30 percent less energy for heating and cooling than the 2003 IECC. The market share of new homes that met the 50 percent efficiency standard when Congress first enacted the incentive in 2005 was essentially zero. In 2009, 37,506 homes qualified for the credit, representing 6.7 percent of homes constructed and showing sustained growth despite the fact that total housing starts decreased by 70 percent over the 2006 - 2009 period, according to the U.S. Census Bureau. If the credit is extended, the market share of homes that meet this requirement will likely continue to grow.

Congress needs to continue providing incentives that encourage the adoption of the most efficient technologies and building practices. These investments in energy efficiency are the most cost-effective way to achieve immediate and substantial reductions in global warming pollution, while also enhancing our economy. The New Energy Efficient Home Credit has begun to move the market in the right direction and we urge you to continue this success by extending the credit through at least the end of 2010.

Sincerely,

Above and Beyond Energy	National Association of State Energy Officials
Advanced Building Analysis, LLC	Natural Resources Defense Council
Alliance to Save Energy	New England Clean Energy Council
American Council for an Energy-Efficient Economy	New England Conservation Services
American Institute of Architects	North American Insulation Manufacturers Association
American Lighting Association	Northeast Energy Efficiency Council
Association of State Energy Research and Technology Transfer Institutions	Nu-Tech Energy Solutions, Co., LLC
Boulder County BuildSmart	Orion Energy Systems
Business Council for Sustainable Energy	Owens Corning
Certified Energy Ratings, Inc	Pacific Gas & Electric
Conservation Services Group	Polyisocyanurate Insulation Manufacturers Association
Danfoss	Progressive Insulation & Windows
Dow Chemical	Recurve
Efficiency First, LLC	Schneider Electric
Energy Efficiency Associates, LLC	Serious Materials
Energy Federation Incorporated	Sierra Club
Energy Future Coalition	Solar & Renewable Power Systems
Environment America	SOLIBS, LLC
Environmental and Energy Study Institute	Structure Metrics
Environment Northeast	The Building Doctors
Environmental Defense Fund	The Stella Group
Knauf Insulation	Thermo Building Services, LLC
Manufactured Housing Institute	This Leaky House
Midwest Sustainable Energy Contractors	U.S. Green Building Council
National Association of Energy Service Companies	Utility Advantage
National Association of Home Builders	